

January 23, 2009

John A. Rizzo  
Designated Agency Ethics Official  
Office of General Counsel  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Mr. Rizzo:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Director of the Central Intelligence Agency.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign from my position as a Director with the Zenith Insurance Company ("Zenith"). I hold common stock and restricted stock in Zenith. I do not have stock options in Zenith, and I do not participate in a deferred compensation plan. Consistent with the standard practice of Zenith for departing Directors, Zenith will accelerate vesting of my restricted stock upon my resignation, and it will become common stock. Although I have been advised that it is not necessary for me to divest my stock in Zenith, I will institute a screening mechanism with regard to Zenith out of an abundance of caution. Accordingly, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Zenith, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

As indicated in my financial disclosure report, I have engaged in business as "Leon Panetta & Associates." I have not formed a corporation or other legal entity for this purpose; instead, clients have paid me directly. I will not continue to engage in this business following my confirmation. In addition, I will not participate personally and substantially in any particular

matter involving specific parties in which a former client of mine is a party or represents a party for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

My spouse and I are co-Directors of a non-profit entity, which is known as The Leon & Sylvia Panetta Institute for Public Policy. Upon confirmation, I will resign from my position as co-Director, and this entity will change its name to The Panetta Institute for Public Policy. Following my resignation, my spouse will continue to serve as the Director of The Panetta Institute for Public Policy. As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of The Panetta Institute for Public Policy, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I also will not participate personally and substantially in any particular matter involving specific parties in which a former client of mine is a party or represents a party for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). In addition, my spouse has agreed that, for the duration of my appointment as Director, she will not communicate directly with the Central Intelligence Agency on behalf of The Panetta Institute for Public Policy or any client.

Upon confirmation, I also will resign from the following positions with the following entities:

Santa Clara University (Presidential Professor) (member, Board of Trustees)  
CA State University Office of the Chancellor (Distinguished Scholar, consultant)  
Joint Ocean Commission Initiative (Commissioner & Co-Chair)  
Blue Shield of California (Director)  
Fleishman-Hillard (member, International Advisory Board)  
Corinthian Colleges, Inc. (Director)  
BP Corporation North America, Inc. (member, Advisory Board)  
California Forward (Co-Chairman)  
Public Policy Institute of CA (Director)  
Aspen Rodel Fellowship Program (member, National Advisory Council)  
California Foundation on the Environment and the Economy (Director)  
Campaign for the Civic Mission of Schools - National Advisory Committee (Trustee)  
Children's Neurobiological Solutions (member, Board of Advisors)  
Inns of Monterey LTD & Inns of Cannery Road LTD (Director)  
Meridian Institute (Director)  
Pacific Maritime Association (Advisor)  
Bread for the World (Director)  
National Maritime Sanctuary Foundation (Director)  
Close-Up Foundation (Director)  
Junior Statesmen Foundation, Inc. (Trustee)  
Monterey Bay Aquarium (Director)

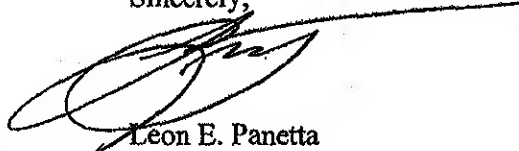
John A. Rizzo  
Designated Agency Ethics Official  
Page 3

Center for the Study of Presidency (Trustee)  
Committee for Economic Development (Member, Steering Committee)  
Consortium for Ocean Leadership (Trustee)  
Council for Excellence in Government (Principal)  
Committee on Constitutional System (Co-Chair)

I do not hold a financial interest in any of these entities. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

When I resigned from my position as a Director of IDT in December 2006, I held shares of restricted stock that had not vested by the time of my resignation. IDT will vest any such restricted stock at any time that a former Director requests its vesting. Although the written plan materials require such a request to be made within 90 days of a Director's resignation, IDT has a standard practice of honoring all requests by former Directors for vesting, even outside of the 90-day period. IDT has advised me that it will honor a request from me to vest these shares of restricted stock, just as IDT would honor such a request from any former Director. Therefore, I have requested vesting of my shares of IDT restricted stock, and IDT will vest these shares within the next 90 days. Upon vesting, this restricted stock will become common stock in IDT. Although I have been advised that it is not necessary for me to divest this restricted stock in IDT, I will institute a screening mechanism with regard to IDT out of an abundance of caution. Accordingly, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of IDT, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Sincerely,

A handwritten signature in black ink, appearing to read 'Leon E. Panetta', with a long horizontal line extending to the right.

Leon E. Panetta